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Exhibition Place

Management Report Year Ending December 31, 2007

Executive Summary

- Overall, Net Operating Income (unaudited) for the year 2007 for the combined programs of Direct Energy Centre Program and Exhibition Place Program was \$1,201,114 a favourable variance \$2,028,949 compared to a budget loss of (\$827,835). In addition to this favourable variance, both the National Soccer Stadium (BMO Field) Program and CNEA Program will be posting favourable variances to December 31, 2007.
- Net Operating Income for Direct Energy Centre was \$2,196,123 compared to a budget of \$1,710,486 for a favourable variance of \$485,637.
- Net Operating loss for Exhibition Place was (\$995,009) compared to a budget of (\$2,538,321) for a favourable variance of \$ 1,543,312.
- The Sales & Marketing team secured 4 new events in the months of November/December, increasing the total number of events to 67.
- On December 5, 2007, Facilities & Destinations announced that Direct Energy Centre has won the 2008 Prime Site Award. The award will be formally announced in the 2008 Facilities & Destinations SuperBook in Spring 2008, as well as on line at www.facilitesonline.com.
- On November 29th the launch of the Sustainable Condo took place at Exhibition Place's CMHC Eco Pods (formerly the Music Building).
- Telecommunications/IT rolled out a new software system for the Exhibitor Services Department which allows patrons to make automated electronic online payments for services.

December Financials Exhibition Place and Direct Energy Centre

The following report is based on the **DRAFT** unaudited financial statements. The year end audit is scheduled to start February 18th, 2008 for all statements.

Direct Energy Centre

Net Operating Income (unaudited) for Direct Energy Centre before the prescribed disclosure requirements of the Public Sector Accounting Board, for the year ended December 31, 2007 was \$2,196,123 an achievement of 128% compared to a budget of \$1,710,486 for a favourable variance of \$485,637 an improvement of \$1,070,220 from prior year. Actuarial valuation of benefits liabilities in the amount of \$5,781 is not usually provided for in the City budget process; however, it must be reflected in the statements for financial reporting purposes and is outside of management control. This valuation is reported to the City on an annual basis by Mercer Human Resource Consulting, the impact of this is reflected in the statements resulting in an adjusted positive variance of \$479,856.

- Rental income was \$7,843,752 compared to a budget of \$7,515,716 for a favourable variance of \$ 328,036 a 104% achievement mainly due to securing new business.
- Electrical services of \$847,206 are unfavourable to budget by (\$7,357) due to lower demand from some of the larger events.
- Direct and indirect expenses are unfavourable to budget by (\$123,075) as a result of higher utility costs offset by savings from lower building operations costs, savings of sales and marketing expenditures and reorganization savings.

- Food & Beverage concessions of \$1,279,159 are unfavourable to budget by (\$23,819) due to a decrease in bookings of corporate events.
- Telecommunications income at \$504,442 is favourable to budget by \$93,382 due to additional provision of internet services to trade events, additional recoveries from tenants and new provision of services to BMO Field.
- Show services from third party billings were up by \$1,092,689 with corresponding increase in expenses of \$1,000,670 for a net favourable variance of \$92,019 mainly due to additional technical requirements for the Interior Design show and the CFA event which was offset by lower demand from the Boat Show due to reduction of a feature exhibit.

Direct Energy Centre accounts receivable as at December 31, 2007 was \$2,123,403 consisting mainly of:

- \$772,149 for services on completed events of which \$118,721 or 15% has been received by January 17, 2008; the outstanding amount includes the Royal for \$361,905 for balance of event services or 47% of the total.
- \$473,663 owed as contractual deposits for future events of which \$124,291 or 27% has been received by January 17, 2008.
- \$404,623 of Food & Beverage Concessions is owed by Centerplate, contractually due on the 25th of the following month.
- \$183,957 for accounts with City Legal; amount fully provided for as a bad debt in the financial statements or the rental income is deferred as appropriate.
- \$146,652 owed for sponsorship arrangement.

Exhibition Place

Net Operating Loss (unaudited) for Exhibition Place before the prescribed disclosure requirements of the Public Sector Accounting Board, for the year ended December 31, 2007 was (\$995,009) compared to a budget loss of (\$2,538,321) for a favourable variance of \$1,543,312; the 2007 financial results represent an improvement of \$1,442,223 from prior year. Except for vacation and sick bank credits, actuarial valuation of WSIB benefits liabilities is not provided for in the Exhibition Place statements at this time as this valuation is reported to the City on an annual basis by Mercer Human Resource Consulting and is expected to be available by January 31, 2008 and would be presented with the consolidated audited financial statements later. The impact of the recorded vacation and sick bank credits only in the amount of \$7,583 as reflected in the statements results in an adjusted positive variance of \$1,535,729.

- Parking revenues at \$5,854,712 is favourable to budget by \$402,574 mainly due to opening of BMO Field and the hosting of the FIFA Under-20 World Cup Soccer; revenue from BMO is favourable to budget by \$421,502 which is offset by reduced revenues from Ricoh Coliseum and Tenants operations. In addition parking expenses are also up by \$94,937 compared against budget to reflect cost for the additional revenue stream for a total net positive variance after expenses of \$307,637.
- Rental income at \$1,615,590 is favourable to budget by \$250,090 due to additional new business such as the LCBO, FAME event and FIFA.
- Show services from third party billings were up by \$624,129 with corresponding increase in expenses of \$557,000 for a net favourable variance of \$67,129 mainly due to additional technical requirements from Ex Place events and the Genesis concert in the BMO Field.

- Indirect expenses are favourable to budget by \$841,041 as a result of salary savings from vacancy for the first quarter in the sales department; lower snow cleaning costs; lower utility costs for the Better Living Centre due to shut down of gas meters and energy management initiatives; and lower wage costs for various trades due to efficiency in planning and scheduling as a result of the Board's internal reorganization which has basically resulted in minimal or no overtime work.

Exhibition Place accounts receivable for the month ending December 31, 2007 was \$3,369,534 consisting mainly of:

- \$1,714,820 from the Direct Energy Centre for payroll, shared services and utility billings of which \$480,439 has been received as of January 17, 2008.
- \$738,048 owed by tenants of which \$472,579 (64%) has been received as of January 17, 2008.
- \$554,831 owed By City Finance for Capital Work projects of which \$461,951 has been received as of January 17, 2008.
- \$150,625 for show services on completed events of which \$11,652 has been received as of January 17, 2008.

Sales and Marketing

November/December Sales Efforts

During this period, our Sales & Marketing team secured 4 new events for 2007, increasing our total to 67. The events are categorized as follows:

- 8 consumer shows
- 2 trade shows
- 15 special events/film or photo shoots
- 8 conferences
- 34 meetings/exams/charity events/other

November/December Summary

New events held during this time included Wood Solutions Fair, Northern Digital Expo featuring the Major League Gaming Canadian Open, Umbra Factory Sale, Regulatory Compliance for Financial Institutions, TT Canada, Scotiabank Children's Holiday Celebration, Rogers Holiday Party, Eid Uladha Prayer and Party, Toronto Police Examinations, Indian Ocean Flowing Into Toronto, Horse Palace Stall Rental, TFI Seminar and TREC Educational Workshops.

Business Travel

On December 10 - 12th Barbara Outschoorn attended the IAEE Conference (International Association of Exhibitions and Events) in Las Vegas, Nevada. The conference brought in a record attendance of over 2,000 delegates worldwide. Direct Energy Centre participated in the Expo Expo trade show in the SMG booth with all other SMG facilities. Follow up leads will take place upon receipt of the lead generation report from SMG head office. The Press Release announcing the Conference Centre expansion was also distributed to attending press/media in the media room on the conference site.

Upcoming Business Travel

Don Leddy will be attending the 2008 Professional Convention Management Association (PCMA) Annual Meeting in January in Seattle, Washington. A follow up summary will be included in the next report.

Publicity

On December 5 2007, Facilities & Destinations announced that Direct Energy Centre has won the 2008 Prime Site Award. This award is based on the opinions of those in the industry directly involved with site selection. The award will be formally announced in the 2008 Facilities & Destinations SuperBook in Spring 2008, as well as on line at www.facilitiesonline.com.

With the recent announcement that Exhibition Place has approved entering into exclusive negotiations with New York City-based HK Hotels, - BizBash – Toronto and International Association of Assembly Managers (IAAM) - October/November District II Newsletter published this information. The information was also included in Communique, the Newsletter of the CAEM, November 2007 edition.

The November 2007 edition of NewBuilding + Renovations & Expansions, a supplement to PCMA Convene listed Direct Energy Centre as the #1 Top Canadian Exhibit Hall, ranked by total square footage.

Direct Energy Centre was the venue for Sir Richard Branson's Mystic Gala held in November. Recognition of the event was on the Bizbash website and the November 13th edition of Sun TV.

On November 29th the launch of the Sustainable Condo took place at Exhibition Place's CMHC Eco Pods (formerly the Music Building). The event was mentioned in the following publications and media/internet sites: Toronto Star newspaper, Multi-Housing News, Real Estate Weekly, New Homes Magazine, 96.3 Classical, <http://www.youtube.com/watch?v=uH2eWZRSBw> , <http://uncutvideo.aol.com/users/cnwgroup/19a3f0a2e8585cab890911f3b2696896?index=0> . Other green initiatives at Exhibition Place were included in an article in the November issue of Communique.

On December 11th Toronto City Council approved the Conference Centre redevelopment at Exhibition Place. Articles appeared in Conference and Meetings World, Tradeshow Week, Facilities Online, International Exhibit City News and BtoB Travel Online.

Event Management Services

During the months of November and December of 2007, Event Co-ordinators, Parking Services and Exhibitor Services staff at Exhibition Place and Direct Energy Centre were involved in the following events:

NOVEMBER
Trade/Consumer/Corporate Events
<ul style="list-style-type: none"> ▪ Royal Agricultural Winter Fair ▪ Wood Solutions Fair ▪ One of a Kind Christmas Show and Sale ▪ Northern Digital Expo ▪ Indian Ocean Flowing into Toronto ▪ Regulatory Compliance for Financial Institutions
Other Events
<ul style="list-style-type: none"> ▪ TFI Board Meeting ▪ Toronto Police Exams ▪ School Library Resource Fair ▪ American Institute of Architects ▪ Ontario Liberal Fund Annual Celebration Dinner ▪ SITO/TREC/TDSB Teachers Workshop ▪ Virgin Unite Charity Gala ▪ Coca Cola Children's Holiday Party ▪ Scotia Bank Children's Holiday Celebration ▪ Lunch 'n Learn ▪ Exhibition Place Children's Christmas Party ▪ Toronto Hydro Holiday Party ▪ CUPE Holiday Party ▪ Learning Library
DECEMBER
Trade/Consumer/Corporate Events
<ul style="list-style-type: none"> ▪ TT Canada ▪ Umbra Factory Sale
Other Events
<ul style="list-style-type: none"> ▪ CFA Exams ▪ TD Holiday Party ▪ Toronto Police Children's Christmas Party ▪ Exhibition Place Staff Holiday Party ▪ Direct Energy Audit of Exhibition Place ▪ Horse Palace Rental ▪ Transat 20th. Anniversary Party ▪ Air Miles Winter Gala ▪ Rogers Holiday Party ▪ TFI New Labels Jury Meeting ▪ TFI Seminar ▪ Islamic Eid ul Adha ▪ Merck Frost Holiday Gala

The Royal Agricultural Winter Fair and One of a Kind Christmas Show went very well, with strong attendance figures daily. The Ontario Liberal Fund Annual Celebration Dinner used the

tunnel from the Automotive Building into the garage at Direct Energy Centre to allow patrons to access their vehicles in comfort.

Umbra was shifted from the Automotive Building to Hall B in Direct Energy Centre this year. This worked extremely well for loading purposes and patrons did not have to line up outside the building in the cold. The client was very pleased.

Several exams and seasonal parties took place with no issues of concern being reported. We stabled a number of horses for a Rogers Centre event during December. All the required health precautions were adhered to.

Conference Centre

Department management worked closely in November and December with the project management team, NORR & Engineering Harmonics regarding clarifying the FF&E AV specification and budget. In addition Centerplate has been involved in developing the design for the F&B areas.

Parking

The year 2007 ended with the positive revenue trend continuing through November and December. The RAWF, One of a Kind, Umbra Sale and holiday parties all contributed to the growth.

November saw the opening of the Community Soccer Bubble at BMO Field. Parking Services has been able to modify its existing Pay and Display meters to accommodate the short term parking needs of community teams using the Bubble.

In November Parking Services started the process of converting its Pay and Display meters to real time credit card processing from batch processing, with one quarter converted to date. This initiative was taken in anticipation of more stringent regulations for storing credit card data, and to eliminate any potential losses from invalid credit cards. In 2007 Pay and Display meters accounted for more than 40% of all public parking revenue at Exhibition Place, and 92% of meter parking was purchased by credit card.

In December Parking Services worked with Event Services and Labour to establish a simplified numbering system for the public parking lots, replacing the letter and descriptive names used in the past.

Telecommunications

Telecommunications/IT rolled out a new software system for the Exhibitor Services Department which allows patrons to make automated electronic online payments for services. With the new online ordering system, transactions are automatically processed at the bank and reconciliations can be done in real time.

The new system also facilitates the automated generation of a myriad of reports and will inevitably tie directly into the new financial system. Staff can now more efficiently track, process as well as electronically send orders to the various departments for physical deployment.

Stage two of this system will allow Exhibitor Services to gather real time deployment feedback from the service deployment groups and will also provide exhibitors with the ability to verify and monitor the status of their orders. Early in 2008, Telecom/IT plan to install automated kiosks in the order desk location, thus enabling "quick order/checkout" for exhibitors who want to order their services onsite/online.

Telcom/IT has also been working with the Marketing department to deploy a new facility booking system (Ungerboeck). This system should allow the marketing department to work more efficiently and provide information back to various departments that require space rental information.

Telecommunications/IT is planning in 2008 to integrate a number of currently independent software systems, thus providing a more consolidated and efficient data management platform at Exhibition Place.

Building Operations

Electrical Department:

The main focus of the electrical department was servicing The Royal and One of a Kind. Electrical Maintenance activities included regularly scheduled Preventive Maintenance Program items as well as a complete audit of the Carma Electrical Metering system and associated repairs, and relamping of the DEC parking garage.

Mechanical Department

The focus of the department was the above mentioned trade shows. Maintenance activities included updating the Johnson Control Lighting control system for the North Extension and Industry Building. The TSSA boiler audits were completed and it should be noted that due to the excellent maintenance standards of the HVAC department on the boilers, TSSA has downgraded their requirement for inspections from twice annually to once per year. The piping was completed on the TRIGEN absorption chiller system to allow for more energy efficiencies to be obtained. All the building drains in the parking garage were suctioned and cleaned. An enhanced building deodorizing and pressurization program was established and rolled out for the RAWF move out. PMPs were expected as per schedule. The North Extension south roll up door which was completely destroyed was rebuilt and installed, as was door 28. All roll up doors and docks were also serviced. The escalators and elevators in the Automotive Building were also serviced after the flood. An additional drain system was installed to prevent future incidents. The Huffcore walls in the DEC were serviced as per schedule. The roofing on the approved section of the West Annex was also completed.

Facility Services

Facility Services delivered timely and cost effective services to shows and tenants over the last quarter. We are committed to developing safe work practices and continue to achieve success. The team is in the process of planning upcoming events for 2008. The following projects/activities were completed or are on-going over the 3 months.

- Completed an audit of our rentable inventory.
- Completed a turnover in Ricoh from ice to equestrian and back to ice.
- Purchased two new trailers with surge brakes to assist labour when moving heavy items and provided manufacturer training to workers.
- Staff have been trained on tractors, front end loaders and skid steer operation including PTO attachments.
- Orientations are now provided by Tennant for all of our sweepers / scrubbers.
- Rented an extra skid steer and two loaders for snow removal operation.
- Prioritized and conducted snow removal services as required for the entire property and tenants.
- Moved Labour from General services to new Facility Services Department.
- Provided supply & installation of various sound and video equipment to shows/events as required and continue to provide technical support for upcoming events.
- Staff have received computer training for excel and word.

Service Stars

Natalie Belman received a letter dated December 1st from Douglas Corrigan with the Toronto Police Association Annual Children's Christmas Party to thank her for her assistance with their event and said "The party was a huge success primarily due to the support we receive from people like you. We would also like to express our thanks and appreciation to Debbie Sanderson, Alba Mercury, Brad Smart, the parking and cleaning staff..."

Centerplate

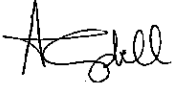
Retail Department

The retail department was busy in November and December with The Royal and One of a Kind. Both shows went very well and now the department is turning attention on the upcoming shows in January, with the main focus continuing to be the improvement of customer service. The management team completed an assessment of the concession stands and will freshen up the look of the stands in January. The new Pickles Deli will feature fresh Montreal smoked meats and other deli treats. As well, a new, strictly vegetarian concession called Birch Canoe will open in early February and will feature three vegetarian pizzas, pastas a la minute, soups and sandwiches.

Catering Department

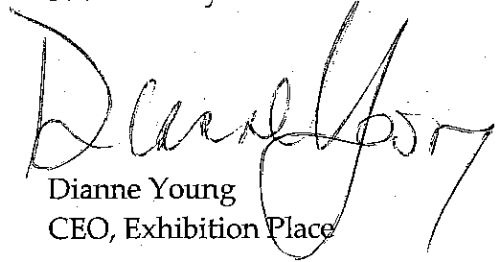
November and December were busy months for the catering department with various holiday parties, galas and award dinners. The catering department continues to focus on training and customer service and the sales department is busy making calls and following up on new leads. We are working on an event for 5000-6000 people in June 2008, which should go to contract in January. With the help of the culinary department we are revising our catering menus for 2008. Our focus for upcoming months will be upgrading our web site.

Submitted by:



Arlene Campbell
General Manager, Sales & Events

Submitted by:



Dianne Young
CEO, Exhibition Place

**DIRECT ENERGY CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	CURRENT		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Number of Events	10	2	102	47
Event Income				
Direct Event Income	\$ 780,363.98	\$ 611,725.00	\$ 8,671,941.21	\$ 8,251,885.00
Ancillary Income	542,349.27	306,583.00	3,309,322.87	2,954,512.00
Sponsorship Income	19,694.00	19,578.00	213,183.27	154,005.00
Ricoh & MLSE Recovery	1,944.30	8,002.00	72,463.57	96,024.00
CNE Recovery			531,429.00	522,673.00
Total Event Income	1,344,351.55	945,888.00	12,798,339.92	11,979,099.00
Event Expenses				
Direct Expenses	739,934.32	552,418.00	6,257,254.36	6,189,629.00
Indirect Expenses	373,392.58	405,891.00	4,833,342.32	4,777,892.00
Total Event Expenses	1,113,326.90	958,309.00	11,090,596.68	10,967,521.00
INCOME BEFORE RICOH CONTRIBUTION AND REORGANIZATION SAVINGS	231,024.65	(12,421.00)	1,707,743.24	1,011,578.00
RICOH CONTRIBUTION	411,739.98	29,234.00	488,379.76	350,808.00
REORGANIZATION SAVINGS		45,834.00		550,000.00
INCOME BEFORE DEBT PAYMENT COST AND PSAB	272,764.63	62,647.00	2,196,123.00	1,912,386.00
ENERGY EFFICIENCY DEBT PMT COST-NET		16,825.00		201,900.00
PSAB ADJUSTMENT	5,781.25		5,781.25	
NET INCOME	266,983.38	45,822.00	2,190,341.75	1,710,486.00
				479,855.75
				8,756.00
				819,240.92
				(67,625.36)
				(55,450.32)
				(123,075.68)
				696,165.24
				137,571.76
				(550,000.00)
				283,737.00
				201,900.00
				(5,781.25)
				479,855.75

Actuals include 12% markup paid to Exhibition Place on labour and materials. At December 31, 2007 the markup paid to Ex. Place was \$ 393,385.74 (\$ 285,720.01 expensed against direct event income and the b \$ 107,665.73 in direct expense)

Actual reorganization savings are reflected directly in the departmental budget rather than a separate line item due to the nature of the City of Toronto reporting guidelines.

Note: 1

Note: 2

**DIRECT ENERGY CENTRE
COMPARATIVE FINANCIAL STATEMENT HIGHLIGHTS
FOR THE YEAR END DECEMBER 31, 2007**

	2006 YTD DECEMBER ACTUAL	2007 YTD ACTUAL	2007 YTD BUDGET	2007 VARIANCE	VARIANCE TO YTD DECEMBER 2006 ACTUAL	%
Number of Events	104	102	47	55	(2)	(1.9%)
Direct Event Income	7,537,048.93	8,671,941.21	8,251,885.00	420,056.21	1,134,892.28	15.1%
Ancillary Income	2,758,175.06	3,309,322.87	2,954,512.00	354,810.87	551,147.81	20.0%
Advertising Income	117,286.14	213,183.27	154,005.00	59,178.27	95,897.13	81.8%
Ricoh & MLSE Recovery	91,148.41	72,463.57	96,024.00	(23,560.43)	(18,684.84)	(20.5%)
CNE Recovery	506,696.32	531,429.00	522,673.00	8,756.00	24,732.68	4.9%
Total Event Income	11,010,354.86	12,798,339.92	11,979,099.00	819,240.92	1,787,985.06	16.2%
Direct Expenses	5,661,800.23	6,257,254.36	6,189,629.00	(67,625.36)	(595,454.13)	(10.5%)
Indirect Expenses	4,573,531.16	4,833,342.32	4,777,892.00	(55,450.32)	(259,811.16)	(5.7%)
Total Event Expenses	10,235,331.39	11,090,596.68	10,967,521.00	(123,075.68)	(855,265.29)	(8.4%)
INCOME BEFORE RICOH CONTRIBUTION AND REORGANIZATION SAVINGS	775,023.47	1,707,743.24	1,011,578.00	696,165.24	932,719.77	120.3%
Ricoh Contribution	350,879.76	488,379.76	350,808.00	137,571.76	137,500.00	39.2%
Reorganization Savings			550,000.00	(550,000.00)		
INCOME BEFORE DEBT PAYMENT COST AND PSAB	1,125,903.23	2,196,123.00	1,912,386.00	283,737.00	1,070,219.77	95.1%
LESS: ENERGY EFFICIENCY DEBT PMT	20,960.34	5,781.25	201,900.00	201,900.00	15,179.09	72.4%
LESS: PSAB ADJUSTMENT	1,104,942.89	2,190,341.75	1,710,486.00	479,855.75	1,085,399.00	98.2%
NET INCOME						

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At December 31, 2007 the markup paid to Exhibition Place was a total of \$393,385.74 (\$285,720.01 expensed against direct event income and \$107,665.73 in direct expense)

Note: 2 Actual reorganization savings are reflected directly in the departmental budget rather than a separate line item due to the nature of the City

DIRECT ENERGY CENTRE EVENT STATISTICS

FOR THE MONTH OF DECEMBER 2007

	MONTH ACTUAL	YTD ACTUAL	PRIOR YEAR ACTUAL
Attendance [Note:1]	153,120	1,341,682	1,456,600

EVENT	ACTUAL # OF EVENTS		(IN THOUSANDS)		REFRESHMENT PER CAP'S ACTUAL [Note: 2]
	2007	2006	2005	NET EVENT INCOME [Note: 3] ACTUAL	
Consumers Show	42	45	52	6,448	6,229
Trade Show	23	21	24	2,140	3,048
Concert	0	0	0	-	-
Photo/Film Shoot	3	3	6	5	-
Meeting/Corporate	34	35	30	1,067	5
	102	104	112	9,659	9,282

Note: 1 Attendance estimates provided by Show Management.

Note: 2 Refreshment per cap's based on information reported by Centerplate

Note: 3 Net event income includes rent and services; ancillary income includes catering and electrical commissions.

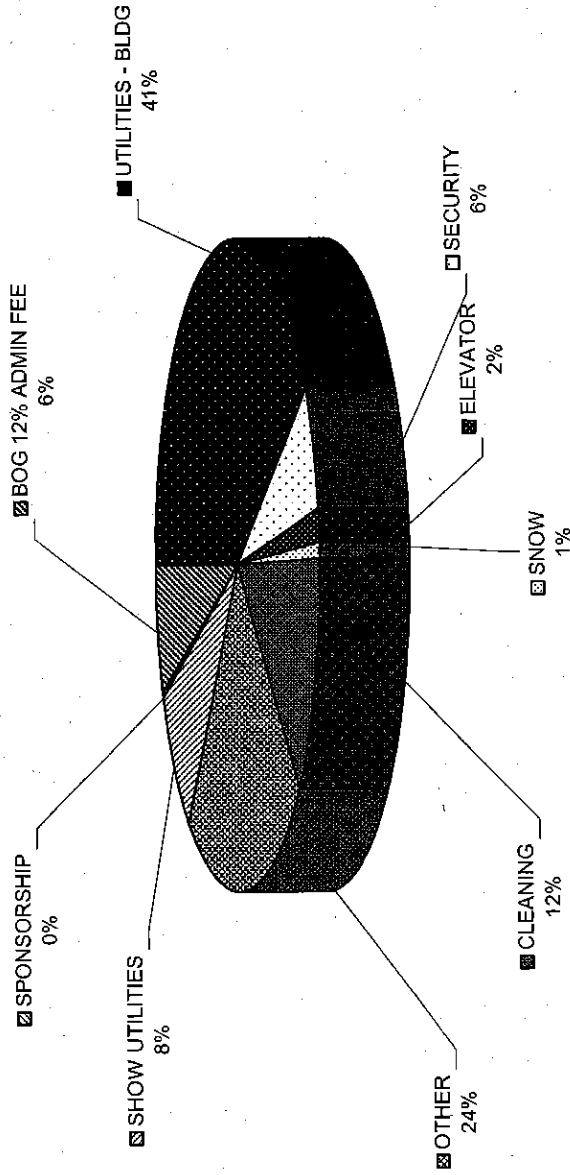
**DIRECT ENERGY CENTRE
BALANCE SHEET
AS AT DECEMBER 31, 2007**

	DECEMBER 31 2007	DECEMBER 31 2006
	\$	\$
ASSETS		
CURRENT ASSETS		
CASH	854,199	699,484
ADVANCE TO EX PLACE	420,000	420,000
TERM INVESTMENTS	7,200,000	5,450,000
AMERICAN EXPRESS	13,596	3,773
TRADE ACCOUNTS RECEIVABLE	2,123,404	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(92,508)</u>	
NET ACCOUNTS RECEIVABLE	2,030,896	1,805,189
OTHER RECEIVABLE	838,864	120,657
PREPAID EXPENSES	19,213	42,522
TOTAL CURRENT ASSETS	11,374,769	8,541,626
FIXED ASSETS		
EQUIPMENT - NET	27,724	16,310
TOTAL ASSETS	11,402,493	8,557,936
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLES & ACCRUED LIABILITIES	4,341,026	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	85,466	
RESERVE - NAMING RIGHTS/CONFERENCE CENTRE	331,677	
RESERVE - ENERGY/LIGHTING INITIATIVES	333,424	
RESERVE - TRI-GEN	(8,102)	
DEFERRED REVENUE	<u>4,477,057</u>	7,779,342
EQUITY		
NET INCOME CURRENT	2,190,342	1,104,943
PRIOR YEAR PSAB ADJUSTMENT	(348,396)	(326,349)
PRIOR YEAR SURPLUS - 2006	1,126,969	
SURPLUS DISTRIBUTION TO EXPLACE	<u>(1,126,969)</u>	
BALANCE	0	0
TOTAL LIABILITIES AND EQUITY	11,402,493	8,557,936

**DIRECT ENERGY CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2007**

	Current Month \$	Year Ended December 31, 2007 \$
CASH FLOW FROM OPERATIONS		
NET INCOME	266,983	2,190,342
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(500,000)	(1,750,000)
ACCOUNTS RECEIVABLE - TRADE	851,189	(225,707)
ACCOUNTS RECEIVABLE - OTHER	(71,143)	(716,207)
PREPAID EXPENSES	60,508	23,309
DEPOSITS AND OTHER ASSETS	(9,654)	(21,239)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	633,888	889,043
OTHER PAYABLES	(61,304)	(32,221)
RESERVE - EXHIBITION PLACE NAMING RIGHTS	(294,333)	(2,666)
RESERVE - ENERGY/LIGHTING INITIATIVES	77,586	244,147
RESERVE - TRI-GEN	(8,102)	(8,102)
DEFERRED INCOME	(880,050)	691,006
NET CASH FROM OPERATIONS	65,568	1,281,703
OTHER SOURCES (USES) OF CASH		
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(1,126,989)
NET CASH FROM OTHER SOURCES	-	(1,126,989)
NET INCREASE (DECREASE) IN CASH	65,568	154,714
BEGINNING CASH BALANCE	788,631	699,484
ENDING CASH BALANCE	854,199	854,199

**COMPONENTS OF DIRECT EXPENSE
YEAR ENDED DECEMBER 31, 2007**



- UTILITIES - BLDG
- SECURITY
- ▣ ELEVATOR
- ▤ SNOW
- ▥ CLEANING
- ▦ OTHER
- ▧ SHOW UTILITIES
- ▨ SPONSORSHIP
- ▩ BOG 12% ADMIN FEE

DIRECT ENERGY CENTRE

DISBURSEMENTS - DECEMBER 31, 2007

GREATER THAN \$50,000

Check No	Date	Amount	Description
24766	12/3/2007	1,250,000.00	CITY OF TORONTO TERM INVESTMENT DEPOSIT
24776	12/11/2007	334,343.00	CITY OF TORONTO CONFERENCE CENTRE RESERVE/NAMING RESERVE 2006
24852	12/13/2007	199,725.85	ENBRIDGE GAS PAYABLE FOR NOVEMBER
24845	12/13/2007	121,352.09	THE BOARD OF GOVERNORS OF EXHIBITION PLACE SALARY PAYROLLS FOR NOVEMBER
24865	12/20/2007	119,022.01	CANADA CUSTOMS AND REVENUE AGENCY GST PAYABLE FOR NOVEMBER
24846	12/13/2007	97,473.45	THE BOARD OF GOVERNORS OF EXHIBITION PLACE TIME & MATERIAL - VARIOUS SHOWS
24829	12/12/2007	78,884.00	WORLD'S FINEST SHOWS INC. DECEMBER HOLIDAY CHILDREN'S PARTIES
24847	12/13/2007	75,935.77	THE BOARD OF GOVERNORS OF EXHIBITION PLACE 50% BOG ELECTRICAL FOR VARIOUS SHOWS
		2,276,716.17	
		192,736.82	
		<u>2,469,452.99</u>	

DISBURSEMENTS OVER \$50,000

OTHER DISBURSEMENTS LESS THAN \$50,000.

TOTAL DISBURSEMENT

**THE BOARD OF GOVERNORS OF EXHIBITION PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET
Direct Event Income					
Rentals	78,463.63	55,656.00	22,807.63	1,615,590.33	1,365,500.00
3rd Party Billings	482,055.05	162,425.85	319,629.20	3,872,646.23	3,248,517.00
Parking - EP	399,209.40	453,000.00	(53,790.60)	4,918,183.73	4,937,113.00
Parking - BMO Field (Note 1)	(41,843.00)	-	(41,843.00)	996,527.60	515,025.00
Advertising & Sponsorship	104,160.34	33,918.00	70,242.34	417,894.09	406,950.00
Program Recoveries & Admin Fee	220,387.21	42,762.00	177,625.21	766,762.92	573,262.00
Tenants Recoveries	(255,443.58)	46,000.00	(301,443.58)	1,908,521.48	1,853,900.00
CNE Recovery	-	-	-	3,192,580.00	3,192,580.00
Total Event Income	986,989.05	793,761.85	193,227.20	17,628,706.38	16,092,847.00
Expenses:					
Direct Expenses	390,111.23	342,545.80	(47,565.42)	6,910,037.74	6,071,865.77
Indirect Expenses	1,794,159.21	1,377,057.35	(417,101.86)	11,713,678.23	12,538,302.64
Total Event Expenses	2,184,270.44	1,719,603.15	(464,667.28)	18,623,715.97	18,610,168.41
NET INCOME BEFORE PSAB	(1,197,281.39)	(925,841.30)	(271,440.08)	(995,009.59)	(2,517,321.41)
ENERGY EFFICIENCY DEBT PMT	(3,250.00)	-	3,250.00	-	21,000.00
PSAB ADJUSTMENT	7,582.80	-	(7,582.80)	7,582.80	-
NET INCOME	(1,201,614.19)	(925,841.30)	(275,772.88)	(1,002,592.39)	(2,538,321.41)

Note 1: \$ 428,957 Parking Revenue at BMO field is FIFA event (July) and \$ 68,236.83 Genesis Concert not subject to rebate

Note 2: CNE Recovery of \$ 3,192,580 represents Site Preparation & Administrative Support

**BOARD OF GOVERNORS - EXHIBITION PLACE
BALANCE SHEET
As at December 31, 2007**

	2007
ASSETS	
Current Assets	
Cash & Cash Equivalent	890,343.63
Term Investment with the City	<u>2,009,507.54</u>
Accounts receivable	2,899,651.17
Trade	3,346,697.08
Less: Allowance for Doubtful Accounts	<u>(61,009.79)</u>
Other Receivables	1,312,127.54
Inventories - Stores	115,943.77
Prepaid expenses	<u>1,260.00</u>
Total Current Assets	<u>7,614,868.77</u>
Receivable from the City of Toronto - PSAB	4,134,919.19
Receivable from the City of Toronto - Capital	361,658.38
Rent Receivable (Step-Up Lease)	2,393,311.42
Capital assets, net	90,132.44
TOTAL ASSETS	<u><u>\$ 14,594,891.20</u></u>
LIABILITIES & EQUITY	
LIABILITIES	
Current Liabilities	
Accounts Payable	3,850,457.87
Accrued Liabilities	2,663,514.45
Accounts Payable - Statutory & Others Pension	220,174.51
Accounts Payable - Trade Unions	<u>104,092.22</u>
Sub-Total	6,838,239.05
Accounts Payable - Holdbacks	291,570.15
Deferred revenue	<u>151,904.83</u>
Total Current Liabilities	<u>\$ 7,281,714.03</u>
Due (c)/Due From CNEA	1,877,868.40
Other Liabilities	
Employee Benefits - PSAB	6,487,236.16
EQUITY	
Net Income/(Loss) - Current Period	(1,002,592.39)
Prior Year - Combined 2006 Profit/Loss	
DEC Profit (Cash Basis)	1,126,989.44
CNE Loss (Cash Basis)	<u>(1,182,221.64)</u>
EP Loss (Cash Basis)	<u>(2,266,204.80)</u>
Less Advance from City	53,949.00
Balance	<u>(2,267,488.00)</u>
City Remittance for Y2006 deficit	<u>2,208,153.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 14,594,891.20</u></u>

BOARD OF GOVERNORS OF EXHIBITION PLACE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2007

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(1,201,614.16)	(1,002,592.39)
SOURCES (USES) OF CASH		
Accounts receivable	672,489.25	(1,146,660.13)
Other Receivable	1,207,786.73	2,010,107.41
Inventories	23,498.77	24,501.73
Prepaid expenses	-	(1,040.40)
Term Investment	-	(2,009,507.54)
Receivable from the City of Toronto - PSAB	-	(232,559.74)
Receivable from the City of Toronto - Capital	(126,168.04)	(274,942.62)
Rent Receivable (Step-Up Lease)	-	75,982.10
Capital assets, net	21,393.82	32,484.45
Accounts Payable + Accrued & Other Liabilities	(470,185.19)	2,676,409.11
A/P - Holdbacks	(1,958.89)	(563,033.68)
Deferred revenue	(45,178.55)	(49,328.35)
Employee Benefits - PSAB	7,582.80	7,582.80
NET CASH FROM OPERATIONS	87,646.54	(452,597.25)
OTHER SOURCES (USES) OF CASH		
City Remittance on Y2006 Deficit (Net Loss)	-	2,208,153.00
NET CASH FROM OTHER SOURCES	-	2,208,153.00
NET INCREASE (DECREASE) IN CASH	87,646.54	1,755,555.75
BEGINNING CASH BALANCE	802,697.09	(865,212.12)
ENDING CASH BALANCE	890,343.63	890,343.63

BOARD OF GOVERNORS - EXHIBITION PLACE
 CHEQUE DISBURSEMENTS - DECEMBER 2007
 GREATER THAN \$50,000

Check No.	Date	Amount	Description
11848	12/4/2007	290,814.78	ADP CANADA SALARY PAYROLL
11997	12/31/2007	143,616.65	ADP CANADA HOURLY PAYROLL
11998	12/31/2007	177,628.86	ADP CANADA HOURLY PAYROLL
11983	12/18/2007	314,833.49	ADP CANADA HOURLY PAYROLL
11985	12/18/2007	206,201.28	ADP CANADA HOURLY PAYROLL
11984	12/18/2007	292,253.48	ADP CANADA SALARY PAYROLL
11981	12/31/2007	108,152.00	OMERS PENSION CONTRIBUTION FOR NOVEMBER 2007
11963	12/15/2007	69,567.96	LOCAL 58 BENEFIT I.A.T.S.E WELFARE VAC & PENSION FOR NOVEMBER 2007
11991	12/21/2007	69,026.23	MINISTRY OF FINANCE R.S.T.RETAIL SALES TAX FOR NOVEMBER 2007
11989	12/20/2007	73,601.51	CANADA CUSTOM AND REVENUE G.S.T. REMITTANCE FOR NOVEMBER 2007
11950	12/10/2007	163,377.17	TORONTO HYDRO ENERGY SER CAPITAL WORKS - FIVE BLDG ENERGY EFFICIENCY
11982	12/18/2007	196,420.44	TOROMONT INDUSTRIES LTD CAPITAL WORKS - HOLDBACK RELEASE DEC.TRI-GENERA
11931	12/10/2007	55,578.67	R. GALATI CONTRACTING INSURANCE CLAIM -EMERGENCY WALL REPAIR
		2,161,072.52	DISBURSEMENTS OVER \$50,000
		832,499.02	OTHER DISBURSEMENTS
		2,993,571.54	TOTAL DISBURSEMENT